

Appendix C

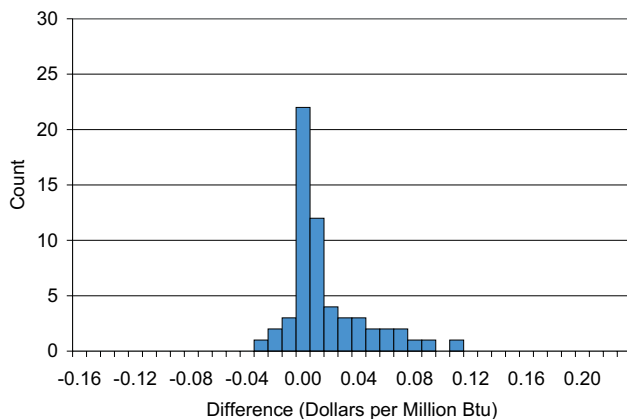
Reported Natural Gas Prices

This appendix documents differences in natural gas prices reported by Intelligence Press, Inc., in its *NGI's Daily Gas Price Index*¹⁵⁶ and by Platts in its *Gas Daily*¹⁵⁷ for the same arbitrary date (February 4, 2002) and the same locations. NGI publishes daily high, low, and average prices for 86 locations, and Platts publishes daily absolute high and low prices, common high and low prices, and a midpoint natural gas price for 114 locations. Neither NGI nor Platts publishes data on volumes of natural gas traded. There are other sources, but these two are sufficient to describe the general nature of the price data available to the markets.

Table C1 on the following page shows low and high prices reported by NGI and Platts and the differences between the estimated lows and the estimated highs.¹⁵⁸ Low-level statistical tests do not show the differences to be significant, but graphs appear to present a different story. Figure C1 shows that the differences between the

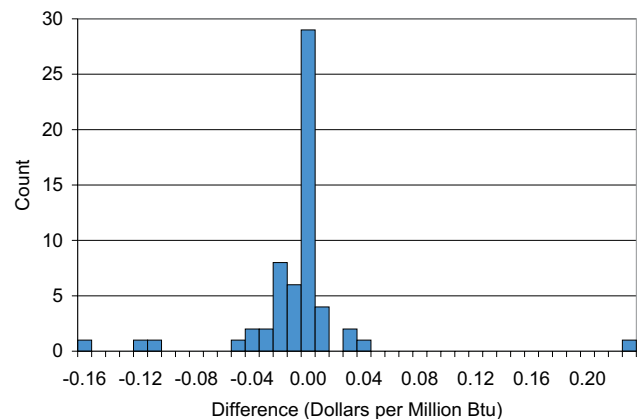
NGI and Platts low values are positively skewed. That is, NGI's reported low prices tend to be higher than those published by Platts. In fact, of the 59 data points shown, 31 are greater than zero, 22 are zero (no difference), and only 6 are less than zero. Figure C2 shows the differences between the high values. In this case, the high prices reported by NGI tend to be lower than those reported by Platts: only 8 values are greater than zero, 29 are zero (no difference), and 22 are less than zero. Another observation from these graphs is the different range held by the two series. The minimum for the difference in the lows is $-\$0.03$ and the maximum is $\$0.11$, yielding a range of $\$0.14$. Conversely, with the high difference series, the minimum is $-\$0.16$ and the maximum is $\$0.23$, giving a range of $\$0.39$. Although these graphs appear to show that there are differences between the two data series, further analysis would be necessary to demonstrate that the differences are systematic and persistent.

Figure C1. Differences Between NGI and Platts Low Prices



Source: Energy Information Administration, based on data from Intelligence Press, *NGI's Daily Gas Price Index*, and Platts, *Gas Daily*.

Figure C2. Differences Between NGI and Platts High Prices



Source: Energy Information Administration, based on data from Intelligence Press, *NGI's Daily Gas Price Index*, and Platts, *Gas Daily*.

¹⁵⁶See web site <http://www.platts.com/>.

¹⁵⁷See web site <http://intelligencepress.com/>.

¹⁵⁸NGI publishes an average and Platts publishes a midpoint of the "most common prices." These are not obviously comparable.

Table C1. Differences Between NGI and Platts Reported Natural Gas Prices

Region	Location	NGI		Platts		Low Difference	High Difference
		Low	High	Low	High		
South Texas	Aqua Dulce	\$2.00	\$2.09	\$1.95	\$2.12	\$0.05	-\$0.03
	Florida Gas Zone	\$2.17	\$2.25	\$2.10	\$2.25	\$0.07	\$0.00
	NGPL S. TX	\$2.08	\$2.13	\$2.04	\$2.13	\$0.04	\$0.00
	Tennessee	\$2.07	\$2.14	\$2.04	\$2.14	\$0.03	\$0.00
	Texas Eastern	\$2.04	\$2.13	\$2.03	\$2.12	\$0.01	\$0.01
	Transco St. 30	\$2.10	\$2.19	\$2.10	\$2.20	\$0.00	-\$0.01
	Trunkline	\$2.08	\$2.14	\$2.08	\$2.14	\$0.00	\$0.00
East Texas	Carthage	\$2.08	\$2.14	\$2.08	\$2.15	\$0.00	-\$0.01
	Houston Ship Channel	\$2.14	\$2.22	\$2.12	\$2.22	\$0.02	\$0.00
	Katy	\$2.10	\$2.16	\$2.07	\$2.16	\$0.03	\$0.00
	NGPL TexOK (West)	\$2.09	\$2.14	\$2.12	\$2.14	-\$0.03	\$0.00
	Texas East.	\$2.09	\$2.14	\$2.09	\$2.15	\$0.00	-\$0.01
	Texas Gas Zone 1	\$2.15	\$2.19	\$2.14	\$2.19	\$0.01	\$0.00
	Transco St. 45	\$2.07	\$2.18	\$2.08	\$2.23	-\$0.01	-\$0.05
	Trunkline North	\$2.10	\$2.15	\$2.10	\$2.15	\$0.00	\$0.00
West Texas	NGPL Permian	\$1.97	\$2.03	\$1.89	\$2.00	\$0.08	\$0.03
	Transwestern	\$2.04	\$2.09	\$2.05	\$2.08	-\$0.01	\$0.01
Midwest	Alliance	\$2.17	\$2.21	\$2.17	\$2.23	\$0.00	-\$0.02
	ANR ML7 (entire zone)	\$2.25	\$2.30	\$2.18	\$2.34	\$0.07	-\$0.04
	Dawn	\$2.25	\$2.30	\$2.23	\$2.31	\$0.02	-\$0.01
	Michigan Consolidated	\$2.20	\$2.27	\$2.20	\$2.29	\$0.00	-\$0.02
Mid-continent	NGPL Amarillo Mainline	\$2.04	\$2.19	\$2.04	\$2.19	\$0.00	\$0.00
	NGPL Iowa-Illinois	\$2.11	\$2.16	\$2.11	\$2.17	\$0.00	-\$0.01
	NGPL Mid-continent	\$2.02	\$2.11	\$2.02	\$2.11	\$0.00	\$0.00
	Northern Natural Demarc	\$2.12	\$2.22	\$2.11	\$2.21	\$0.01	\$0.01
	Northern Natural Mid 10-13	\$2.05	\$2.14	\$2.05	\$2.11	\$0.00	\$0.03
	Northern Natural Ventura	\$2.13	\$2.20	\$2.11	\$2.20	\$0.02	\$0.00
	OGT	\$2.04	\$2.11	\$2.06	\$2.13	-\$0.02	-\$0.02
	Reliant West (NorAm)	\$2.04	\$2.12	\$2.04	\$2.13	\$0.00	-\$0.01
	Williams	\$2.05	\$2.13	\$2.05	\$2.12	\$0.00	\$0.01
Louisiana	Gulf South (Koch)	\$2.03	\$2.04	\$1.94	\$2.20	\$0.09	-\$0.16
	Henry Hub	\$2.14	\$2.24	\$2.14	\$2.24	\$0.00	\$0.00
	NGPL LA	\$2.09	\$2.16	\$2.09	\$2.16	\$0.00	\$0.00
	Tennessee Line 500	\$2.06	\$2.20	\$2.06	\$2.20	\$0.00	\$0.00
	Tennessee Line 800	\$2.09	\$2.18	\$2.08	\$2.18	\$0.01	\$0.00
	Texas Eastern E. LA	\$2.12	\$2.20	\$2.11	\$2.22	\$0.01	-\$0.02
	Texas Eastern W. LA	\$2.09	\$2.17	\$2.09	\$2.20	\$0.00	-\$0.03
	Texas Gas Zone SL	\$2.13	\$2.21	\$2.13	\$2.21	\$0.00	\$0.00
	Transco St. 65	\$2.17	\$2.27	\$2.17	\$2.27	\$0.00	\$0.00
	Trunkline E. LA	\$2.11	\$2.18	\$2.09	\$2.18	\$0.02	\$0.00
Trunkline W. LA	\$2.10	\$2.18	\$2.12	\$2.20	-\$0.02	-\$0.02	
Alabama/Mississippi	Texas Eastern Kosciusko	\$2.19	\$2.26	\$2.18	\$2.26	\$0.01	\$0.00
	Transco St. 85	\$2.24	\$2.31	\$2.20	\$2.31	\$0.04	\$0.00
Rocky Mountains	CIG	\$1.83	\$1.95	\$1.80	\$1.95	\$0.03	\$0.00
	Cheyenne Hub	\$1.89	\$1.96	\$1.83	\$1.98	\$0.06	-\$0.02
	El Paso non-Bondad	\$2.02	\$2.09	\$2.02	\$2.11	\$0.00	-\$0.02
	Kern River/Opal	\$1.84	\$1.98	\$1.80	\$2.00	\$0.04	-\$0.02
	Northwest S. of Green River	\$1.84	\$1.85	\$1.85	\$1.97	-\$0.01	-\$0.12
	Northwest Sumas	\$1.97	\$2.03	\$1.97	\$2.14	\$0.00	-\$0.11
	Questar	\$1.87	\$1.94	\$1.81	\$1.94	\$0.06	\$0.00
	Stanfield	\$2.02	\$2.12	\$1.97	\$2.12	\$0.05	\$0.00
Northeast	Algonquin (citygate)	\$2.52	\$2.72	\$2.51	\$2.72	\$0.01	\$0.00
	Algonquin (into)	\$2.43	\$2.55	\$2.42	\$2.55	\$0.01	\$0.00
	Columbia Gas	\$2.25	\$2.44	\$2.14	\$2.21	\$0.11	\$0.23
	Iroquois Zone 2	\$2.48	\$2.61	\$2.47	\$2.61	\$0.01	\$0.00
	Niagara	\$2.34	\$2.40	\$2.33	\$2.44	\$0.01	-\$0.04
	Tennessee Zone 6	\$2.47	\$2.63	\$2.46	\$2.59	\$0.01	\$0.04
	Transco Zone 6 NY	\$2.48	\$2.75	\$2.48	\$2.75	\$0.00	\$0.00
	Transco Zone 6 non -NY	\$2.43	\$2.60	\$2.42	\$2.60	\$0.01	\$0.00

Source: Energy Information Administration, based on data from Intelligence Press, *NGI's Daily Gas Price Index*, and Platts, *Gas Daily* (Monday, February 4, 2002).